THE NATIONAL ARCHIVES
LITTERA SCRIPTA MANET
FEDERAL REGISTER
1934
OF THE UNITED STATES

VOLUME 4 NUMBER 238

Washington, Saturday, December 9, 1939

Rules, Regulations, Orders

TITLE 6—AGRICULTURAL CREDIT

CHAPTER I—FARM CREDIT ADMINISTRATION

[FCA 153]

PART 51—RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS PROMULGATED BY ALL PRODUCTION CREDIT CORPORATIONS†

Effective at the close of business on December 31, 1939, Title 6, Code of Federal Regulations, is amended by striking out all of Part 51 (Sections 51.201 to 51.313, inclusive) and inserting in lieu thereof the following:

Sec.
51.1 Loan Purposes.
51.2 Eligibility.
51.4 Approval of Loan.
51.5 Interest Rates.
51.8 Inspections.
51.10 Time Limit on Closing Loans.
51.11 Relation of Association to Other Organizations.

§ 51.1 *Loan purposes.* The association is authorized to provide short-term and intermediate-term credit for any general agricultural purpose to qualified farmers and stockmen. Loans may include funds for the purchase of association class B stock required to be held by members in connection with their loans.

(a) When a doubt exists as to the authority of an association to make a particular type of loan, all pertinent facts in connection therewith should be forwarded to the president of the production credit corporation (hereinafter referred to as "the corporation") for a decision. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g) †

§ 51.2 *Eligibility*—(a) *In general.* To be eligible for a loan, an applicant must be a farmer within the meaning of that word as used in the Farm Credit Act of 1933 and amendments thereto and acts amendatory thereof. The term "farmer" as so used includes a natural person, partnership, or corporation engaged in the business of farming or of breeding, raising, or fattening livestock.

(b) *Natural persons.* To be an eligible applicant, a natural person must devote certain time and energy to the active management of his farming or livestock operations; and the enterprise must be conducted in such a manner that he reaps the benefits of the operation if it is successful, and suffers the loss if it is a failure. He need not be principally so engaged nor reside on the place where the farming or livestock operations are carried on. An applicant for a loan, the proceeds of which are to be used for farming or livestock operations conducted through tenants or sharecroppers, will be ineligible unless it affirmatively appears that he has a right to, and does actually exercise the substantial direction and control in the management of the enterprise. When a landlord is entitled only to a fixed return without regard to the success or failure of the farming operations, or does not rightfully exercise the substantial direction and control of the management of such operations, the tenant, not the landlord, is to be considered the "farmer."

(c) *Partnerships.* The eligibility of a partnership is governed by the same principles as those governing the eligibility of natural persons.

(d) *Corporations.* To be considered a "farmer," a corporation must be principally engaged in farming or in the breeding, raising, or fattening of livestock.

For a corporation to be considered as so principally engaged, the major portion of its assets must be represented by property actually devoted to farming and/or the raising, breeding, or fattening of livestock; at least half of its gross income must be derived from such operations; and at least half of the time of its active officers and personnel must be spent in the conduct of such business.

When a loan is made to a corporation, either the holder or holders of at least a majority of its outstanding shares of voting stock or, with the consent of the

†In all sections of Part 51 the section numbers to the right of the decimal point correspond with the section numbers in the Rules and Regulations for Production Credit Associations, effective December 31, 1939.

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FEDERAL REGISTER

Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1 per month or $10 per year; single copies 10 cents each; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the FEDERAL REGISTER should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

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production credit corporation, the principal stockholder or holders must (1) endorse, or sign as comakers, all notes evidencing such loans; or (2) execute continuing guarantees of all indebtedness of such corporation to the association. When it is expected that future advances will be made to a corporate borrower, the association will require a continuing guaranty as above mentioned.

(e) *Fiduciaries and representatives.* Loans may be made to a fiduciary or representative (including a trustee, guardian, executor, administrator, or receiver) who, in such capacity, is engaged in farming or in the raising, breeding, or fattening of livestock, provided that (1) adequate security can and will be given and (2) some financially responsible individual (which may be the fiduciary or representative) will incur personal liability for the loan, or the general assets of the estate can and will be charged with liability for the loan. Loans shall not be made to the receiver of a corporation or to the trustee of a business trust (commonly called Massachusetts trust) unless the corporation or trust satisfies the requirements for eligibility of a corporation as prescribed in subsection (d).

(f) *Loans to directors, officers, employees, and agents of the Farm Credit Administration, the corporation and the association.* Loans to a director of the corporation or to an officer (as distinguished from an employee) of the Farm Credit Administration of Washington, D. C., shall be subject to prior approval by the board of directors of the corporation and by the Production Credit Commissioner. Loans to an officer, employee, or agent of the corporation shall be subject to prior approval by the board of directors of the production credit corporation. Loans to a director or officer of the association shall be subject to prior approval by the president of the corporation, or in his absence by another officer designated by him. Similar approval shall be required for loans to a firm or corporation of which any of the aforesaid persons is a member or stockholder, for loans to be used in connection with property in which any such person has a present legal or equitable interest, and for loans to a member of the immediate family of any such persons. The term "immediate family" shall include a father, mother, brother, sister, son, daughter, husband, or wife. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

§ 51.4 *Approval of loan.* Unless otherwise provided in the bylaws of the association, or unless otherwise authorized by the board of directors of the association and the president of the corporation, no loan shall be made unless the executive committee has given prior approval thereof. Where executive committee action is required, no loan shall be made unless application therefor has received the unanimous approval of the qualified members of the executive committee present at the meeting at which such action is taken. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

§ 51.5 *Interest rates.* The interest rate charged the borrower shall be 3 percent per annum above the discount rate of the Federal intermediate credit bank at the time the loan or advance is made, unless a lower or a higher rate is prescribed by the corporation with the approval of the Production Credit Commissioner. Interest shall be charged on loans for the actual number of days that loans are outstanding. The number of days for which interest shall be charged shall be computed on the basis of 365 days for normal years and 366 days for leap years. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

§ 51.8 *Inspections.* In connection with each loan an inspection shall be made by an inspector approved by the corporation and in accordance with a procedure approved by the corporation.

An association officer, employee, or agent shall not be authorized to make an inspection incident to a loan applied for or obtained by a member of his immediate family or in connection with property in which he has a present legal or equitable interest. (See section 51.2 (f) for definition of "immediate family.") (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

§ 51.10 *Time limit on closing loans.* The association may, in its discretion, refuse to make a loan to an applicant who does not furnish all documents necessary to close the loan within 30 days after notice has been sent him by the association that his application has been approved. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

§ 51.11 *Relations of association to other organizations.* No borrowers shall be required by the association to enter into any contract or agreement with any particular association, individual, or corporation with respect to the purchase of supplies or the sale of agricultural products, livestock, or livestock products; nor shall the association require a borrower to become a member of any other organization or association; provided that, with the prior approval of the Production Credit Commissioner, any of such requirements may be imposed as special credit requirements in connection with the closing of particular types of loans. (Sec. 23, 48 Stat. 261; 12 U.S.C. 1131g)†

[SEAL] V. P. SIMMONS,
Assistant to Production Credit Commissioner.

[F. R. Doc. 39-4562; Filed, December 8, 1939; 11:10 a. m.]

[F.C.A. 154]

PART 50—RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS PROMULGATED BY THE FARM CREDIT ADMINISTRATION†

Effective at the close of business on December 31, 1939, Title 6, Code of Federal Regulations, is amended by striking out all of Part 50 (Sections 50.101 to 50.309, inclusive) and inserting in lieu thereof the following:

Sec.
50.13 Charges to Borrowers.
50.15 Confidential Information.
50.16 Territory.
50.17 Depositaries.
50.19 Consolidation of Associations.
50.20 Voluntary Liquidation of Associations.

†In all sections of Part 50 the section numbers to the right of the decimal point correspond with the section numbers in the Rules and Regulations for Production Credit Associations, effective December 31, 1939.

§ 50.13 *Charges to borrowers.* Subject to the approval of the president of the production credit corporation (hereinafter referred to as "the corporation") the association may prescribe charges and other fees to be charged applicants in connection with loans. Inspection fees in excess of $3.00 shall not exceed 1 percent of the amount of the loan commitment. The actual cost of title and/or mortgage abstracts and searches, fees for filing or recording mortgages, fees in connection with releases, notarial fees in connection with the execution of loan papers, and other expenses incurred in closing the loan must be paid by the borrower. (Sec. 60, 48 Stat. 266, 12 U.S.C. 1138) †

§ 50.15 *Confidential information.* All loans and applications therefor, and all information contained therein, must be treated as strictly confidential by the directors, officers, employees, and agents of the association. Except with the approval of the president of the corporation, or of the Production Credit Commissioner, no statements shall be issued or made regarding particular applications received, approved, or disapproved, and no information relative to the business or affairs of the association, or lists of borrowers or of employees of the association, shall be furnished, to any person(s), institution(s), or corporation(s) other than authorized officers or agents of the Farm Credit Administration, the corporation, and the Federal intermediate credit bank, upon presentation of proper credentials. (Sec. 20, 48 Stat. 259, 12 U.S.C. 1131d) †

§ 50.16 *Territory.* (a) The association shall operate and conduct its business within such territory as may be prescribed by the Governor and evidenced in a certificate of district to be served.

(b) An application for a loan to finance operations wholly within the territory of the association may be accepted regardless of the residence of the applicant.

(c) An application for a loan to finance operations wholly without the territory of the association shall not be accepted even though the applicant resides within the territory served by the association.

(d) An application for a loan to finance operations on land partly within and partly without the association's territory may be accepted if such land may be regarded, in the opinion of the president of the corporation, as one farming or livestock unit. (Sec. 20, 48 Stat. 259, 12 U.S.C. 1131d) †

§ 50.17 *Depositaries.* The depositaries for the funds of the association must be approved for the purpose by the corporation so long as it is the holder of any stock of the association, such depositaries wherever possible to be members of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation. (Sec. 20, 48 Stat. 259, 12 U.S.C. 1131d) †

§ 50.19 *Consolidation of associations—* (a) *Consolidation agreement.* By resolution, the board of directors of each association constituent to a consolidation shall authorize the execution of, and shall approve, an agreement (in the form prescribed by the corporation with the approval of the Production Credit Commissioner) designating the charter of one of the constituent associations as the charter of the consolidated association, providing an effective date for the consolidation, and setting forth the terms and conditions of the consolidation and the mode of carrying the same into effect.

Such consolidation agreement shall also provide that the shares of class A stock of the respective constituent associations shall be converted at the par value thereof into like shares of the consolidated association; that the shares of class B stock of the respective constituent associations which have a fair book value equal to or greater than the par value thereof shall be converted at the par value thereof into like shares of the consolidated association; that the shares of class B stock of the respective constituent associations which have a fair book value of less than par shall be converted into $5.00 par value shares of class B stock of the consolidated association having an aggregate value equal in each instance to the aggregate fair book value of such shares of such constituent associations.

(b) *Approval of consolidation agreement.* In order to become effective, the consolidation agreement must be approved:

(1) By a two-thirds vote of the class B stockholders of each association constituent to the consolidation who are present at a meeting duly called for the purpose (provided the stockholders so present constitute a quorum);

(2) By the president of the corporation; and

(3) By the Production Credit Commissioner.

(c) *Effectiveness of agreement.* When so approved the consolidation agreement shall be filed with the corporation and shall become effective as of its effective date. As of such date, the separate existence of the constituent associations shall cease, and the consolidated association shall succeed, without other transfer, to all rights and property of the constituent associations and shall be obligated to discharge all the debts, liabilities, and duties thereof in the same manner and to the same extent as if such consolidated association had originally incurred them.

(d) *Supervisory duties of corporation.* It shall be the duty of the corporation to supervise the consolidation for the purpose of insuring that the terms and conditions of the consolidation agreement are properly carried into effect and that the shares of stock of the constituent associations are retired and canceled and the proper number of shares of stock of the consolidated association issued in lieu thereof. (Sec. 20, 48 Stat. 259, 12 U.S.C. 1131d) †

§ 50.20 *Voluntary liquidation of associations.* (a) Subject to the approval of the president of the corporation and of the Production Credit Commissioner, an association may be placed in voluntary liquidation by resolution of its board of directors. The resolution shall authorize and direct the president of the corporation to appoint and fix the compensation of a liquidating agent for the association and to remove such liquidating agent at will and appoint a successor; and shall vest in the liquidating agent full and complete authority (without any reservation of power in the board) to liquidate the association subject to the direction and supervision of the president of the corporation.

(b) Subject to such direction and supervision, the liquidating agent shall convert all the association's assets into cash (except securities held by the corporation for the association's account), pay all its obligations, and distribute its remaining assets to the holders of class A and class B stock in accordance with their liquidation preference rights.

(c) The loan assets of the association may be converted into cash by either of the following methods:

(1) By their collection.

(2) By the sale of the loan assets of the association to another association or associations upon such terms and conditions as may be approved by the president of the corporation and by the Production Credit Commissioner, provided that immediately upon completion of such sale the liquidating association will be able to pay liquidating dividends of not less than $5.00 per share on all its outstanding stock. Each borrower whose loan is sold to another association shall be required to own class B stock in the purchasing association in the amount of $5.00 for each $100.00 or fraction thereof of the unpaid balance of such loan; and the liquidating association shall make payment to the purchasing association for such stock out of the borrower's liquidating dividends. (Sec. 65, 48 Stat. 269, 12 U.S.C. 1138e) †

[SEAL] F. F. HILL,
Governor.

[F. R. Doc. 39-4563; Filed, December 8, 1939; 11:11 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

CHAPTER I—BUREAU OF ANIMAL INDUSTRY

[B.A.I. Order 211, Rev., amended]

CONFERRING AUTHORITY UPON THE CHIEF OF THE BUREAU OF ANIMAL INDUSTRY UNDER THE MEAT INSPECTION ACT

Pursuant to authority conferred by law upon the Secretary of Agriculture, B.A.I. Order 211 (Revised), as amended, (Regulations Governing the Meat Inspection of the United States Department of Agri-

culture) is hereby amended by adding the following new regulation:

REGULATION 30—AUTHORITY DELEGATED TO THE CHIEF OF THE BUREAU OF ANIMAL INDUSTRY

SECTION 1. The Chief of the Bureau of Animal Industry is authorized to determine whether applications for inspection or for exemption from inspection under the provisions of the meat-inspection act shall be granted or refused. The Chief of the Bureau of Animal Industry is further authorized to revoke his prior approval of any application if he determines that any false statement was made in such application.

SEC. 2. The Chief of the Bureau of Animal Industry is authorized to withdraw inspection from any official establishment, and to withdraw exemption from any exempted retail establishment, which violates or fails to comply with any provision of the meat-inspection act or of the regulations made pursuant thereto.

SEC. 3. When any action is taken by the Chief of the Bureau of Animal Industry under section 1 or 2 of this regulation, it shall be final unless the aggrieved party appeals within 20 days to the Secretary of Agriculture from the action taken by the Chief of the Bureau of Animay Industry.

Done at Washington, D. C., this 7th day of December 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-4552; Filed, December 7, 1939; 1:03 p. m.]

[Amendment 2 to B.A.I. Order 367]

SUBCHAPTER B—PREVENTION OF ANIMAL DISEASES: COOPERATION WITH STATES

REGULATIONS GOVERNING THE APPRAISEMENT OF AND COMPENSATION FOR TUBERCULOUS, PARATUBERCULOUS, AND BANG'S DISEASE REACTING CATTLE CONDEMNED AND DESTROYED IN THE CONTROL AND ERADICATION OF TUBERCULOSIS, PARATUBERCULOSIS, AND BANG'S DISEASE OF ANIMALS

Under the authority conferred by law upon the Secretary of Agriculture, the regulations governing the appraisement of and compensation for tuberculous, paratuberculous, and Bang's disease reacting cattle condemned and destroyed in the control and eradication of tuberculosis, paratuberculosis, and Bang's disease of animals, issued under date of June 25, 1938, and effective July 1, 1938, as amended, are hereby further amended by the addition to regulation 4 of a new section to read as follows:

Regulation 4

SECTION 14.[1] (a) No compensation will be paid for any cattle condemned and slaughtered as the result of positive reaction to the agglutination blood test for Bang's disease, if they were vaccinated with any vaccine made from or through the agency of Brucella micro-organisms, after the cattle are over 8 months old.

(b) No compensation will be paid for any cattle condemned and slaughtered as the result of positive reaction to the agglutination blood test for Bang's disease, if they were vaccinated with any vaccine made from or through the agency of Brucella micro-organisms, when the cattle are 8 months of age or less unless 18 months have elapsed between the date of such vaccination and the date of reaction to such test.

This amendent, which for the purpose of identification is designated as Amendment 2 to B.A.I. Order 367,[2] shall be effective on and after December 16, 1939.

Done at Washington this 8th day of December 1939.

Witness my hand and the seal of the Department of Agriculture.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-4566; Filed, December 8, 1939; 11:49 a. m.]

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 3877]

IN THE MATTER OF DIAMOND KNITTING MILLS, INC.

§ 3.66 (a) *Misbranding or mislabeling—Composition.* Using, in connection with offer, etc., in commerce, of respondent's merchandise, term "all silk" or the unqualified word "silk" or any other term of similar import and meaning to designate, describe, or in any way refer to any fabric or merchandise not made wholly from unweighted silk, the product of the cocoon of the silkworm, or representing, through failure to disclose the presence and percentage of weighted silk contained in any fabric or other merchandise and the percentage of weighting in such weighted silk, or through any other means or device, or in any manner, that fabrics or other merchandise composed in whole or in part of weighted silk are composed of unweighted silk, or, in any manner, that the products sold by respondent are made of a material, fiber, or yarn other than that of which such products are actually made, prohibited; subject to the provision, however, that the word "silk" may be used to refer to the silk content of such fabrics or other merchandise when the disclosures herein enumerated are clearly and conspicuously made in connection with the use of such term. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Diamond Knitting Mills, Inc., Docket 3877, November 28, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 28th day of November, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that it waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Diamond Knitting Mills, Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of its merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Using the term "all silk" or the unqualified word "silk" or any other term of similar import and meaning to designate, describe, or in any way refer to any fabric or merchandise not made wholly from unweighted silk, the product of the cocoon of the silkworm.

(2) Representing through failure to disclose the presence and percentage of weighted silk contained in any fabric or other merchandise and the percentage of weighting in such weighted silk, or through any other means or device, or in any manner, that fabrics or other merchandise composed in whole or in part of weighted silk are composed of unweighted silk: *Provided, however,* That the word "silk" may be used to refer to the silk content of such fabric or other merchandise when the disclosures herein enumerated are clearly and conspicuously made in connection with the use of such term.

(3) Representing in any manner that the products sold by respondent are made of a material, fiber or yarn other than that of which such products are actually made.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-4558; Filed, December 8, 1939; 10:02 a. m.]

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[1] 9 C.F.R. 51.21.

[2] 3 F.R. 1527, 2108 DI.

TITLE 25—INDIANS

CHAPTER I—OFFICE OF INDIAN AFFAIRS

SUBCHAPTER R—LEASES AND SALES OF MINERALS, RESTRICTED INDIAN LANDS

PART 201—LEAD AND ZINC MINING OPERATIONS AND LEASES, QUAPAW AGENCY

Section 201.13, which reads:

"§ 201.13 *Bond.* Every mineral lease made and entered into under the regulations in this part, by an Indian or by the superintendent as his representative or in his behalf, must be accompanied by a surety bond, executed by the lessee and by a responsible surety company or two or more satisfactory sureties, guaranteeing the payment of all deferred installments of bonus and the payment of all specified royalties and rentals and the performance of all covenants and agreements undertaken by the lessee. Such bond shall be in amount as follows: For leases covering less than 80 acres, $2,500; for those covering 80 acres and less than 120 acres, $3,600; for those covering 120 acres or more, $5,000; provided, however, that the lessee may, in lieu of such surety bond and upon execution of a proper penal bond to the United States in the sum prescribed and a proper power of attorney to the Secretary of the Interior, submit therewith United States bonds or notes in the aggregate sum prescribed as security for the carrying out of the terms, conditions, and provisions of the lease. The right is specifically reserved to the Secretary of the Interior to require an increase of the amount of any bond above the sum named in any particular case where he deems it necessary to require such increased bond."

is amended to read:

"§ 201.13 *Bond.* Every mineral lease made and entered into under the regulations in this part, by an Indian or by the superintendent as his representative or in his behalf, must be accompanied by a surety bond, executed by the lessee and by a responsible surety company or two or more satisfactory sureties, guaranteeing the payment of all deferred installments of bonus and the payment of all specified royalties and rentals and the performance of all covenants and agreements undertaken by the lessee. Such bond shall be in amount as follows: For leases covering less than 80 acres, $2,500; for those covering 80 acres and less than 120 acres, $3,500; for those covering 120 acres or more, $5,000; provided, however, that the lessee may, in lieu of such surety bond and upon execution of a proper penal bond to the United States in the sum prescribed and a proper power of attorney to the Secretary of the Interior, submit therewith United States bonds or notes in the aggregate sum prescribed as security for the carrying out of the terms, conditions, and provisions of the lease; provided further, that a lessee may file in lieu of such individual lease bonds, one bond in a sum to be fixed by the Secretary of the Interior covering all leases to which he is or may become a party. The right is specificially reserved to the Secretary of the Interior to require an increase of the amount of any bond above the sum named in any particular case where he deems it necessary to require such increased bond."

OSCAR L. CHAPMAN,
Assistant Secretary of the Interior.

NOVEMBER 30, 1939.

[F. R. Doc. 39-4555; Filed December 7, 1939; 3:29 p. m.]

TITLE 26—INTERNAL REVENUE

[T.D. 4957]

CHAPTER I—BUREAU OF INTERNAL REVENUE

SUBCHAPTER A—INCOME AND EXCESS PROFITS TAX

PART 24—SPREAD OF DEPRECIATION OR AMORTIZATION FOR IMPROVEMENTS OR COST OF LEASE OVER TERM OF ORIGINAL LEASE AND RENEWALS

To Collectors of Internal Revenue and Others Concerned:

In determining deductions from gross income of items in respect of depreciation or amortization of the cost of improvements erected upon leased premises or the cost or other basis of a lease, including all capital expenditures in connection therewith, in cases in which the lease contains an unexercised option of renewal, the matter of spreading such depreciation or amortization over the term of the original lease, together with the renewal period or periods, depends upon the facts in the particular case. As a general rule, unless the lease has been renewed or the facts show with reasonable certainty that the lease will be renewed, the cost or other basis of the lease or the cost of improvements shall be spread only over the number of years the lease has to run, without taking into account any right of renewal. However, pursuant to the discretion vested in the Commissioner, with the approval of the Secretary, by section 3791 (b) of the Internal Revenue Code, if the taxpayer for any taxable year ending prior to December 31, 1939, has been allowed such depreciation or amortization on the basis of spreading the cost or other basis of such lease or improvements over the number of years the lease has to run, including any exercised or unexercised renewal period or periods, and such taxable year has been closed on that basis and the tax for that year can not be redetermined, then the taxpayer may for subsequent taxable years take deductions on such basis if within 90 days after the approval of this Treasury Decision or within such later period as may be specified by the Commissioner of Internal Revenue he files Form 969, in duplicate, with the Commissioner of Internal Revenue, Washington, D. C., attention of the Income Tax Unit, Records Division, signifying his election to have deductions in respect of such items determined upon such basis, and expressly waives his right to claim or receive the benefits of any reduction in his tax liability which would result from the allowance of deductions for such items on the basis of only the number of years the lease has to run, without taking into account any right of renewal, or on any basis other than that set forth in his election. If, in any case, the life of the improvements is less than the number of years the lease has to run, including the renewal period if properly to be considered, the deduction for depreciation with respect to such improvements shall be spread only over such life.

(This Treasury Decision is issued under the authority contained in section 3791, Internal Revenue Code (53 Stat. 467).)

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved, December 6, 1939.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

[F. R. Doc. 39-4565; Filed, December 8, 1939; 11:44 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

CHAPTER I—GENERAL LAND OFFICE

[Circular No. 1464]

REGULATIONS GOVERNING LEASE BONDS

AMENDED AND SUPPLEMENTED

Section 14 of Circular 1386,[1] approved May 7, 1936 (55 I. D. 517; Section 192.61, Code of Federal Regulations), is hereby amended and supplemented by adding, at the end of the second paragraph thereof, the following paragraph: [2]

The requirement made in the preceding paragraph for the filing of a $1,000 bond shall apply only in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases the $1,000 bond must be filed not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by the lessee by making payment of each successive annual rental not less than 90 days prior to its due date. In the absence of the payment of the rental in advance as herein authorized, the requirement for the filing of the bond within the time prescribed must be complied with strictly, and upon the failure of the lessee to comply therewith the lease shall be subject to cancelation by the Secretary in accordance with the provisions of the lease and the act of February 25, 1920 (41 Stat. 437), as amended by the act of August 21, 1935 (49 Stat. 674). Nothing herein contained shall operate to relieve the lessee

[1] 1 F.R. 373.

[2] Issued under the authority contained in Sec. 32, 41 Stat. 450; 30 U.S.C. 189.

from the obligation to furnish a $5,000 general lease bond prior to beginning drilling operations. The substance of this paragraph shall be incorporated into all leases hereafter issued under sections 13 and 17 of the act of February 25, 1920, as amended by the act of August 21, 1935. The holder of any outstanding lease heretofore issued may be relieved, under the conditions herein provided, of his obligation to maintain the $1,000 bond, upon filing his written consent, on a form prescribed by the Secretary, to the amendment of the lease in accordance herewith.

FRED W. JOHNSON,
Commissioner.

Approved, November 27, 1939.

H. L. I.
Secretary of the Interior.

[F. R. Doc. 39-4554; Filed, December 7, 1939; 3:28 p. m.]

STOCK DRIVEWAY WITHDRAWAL NO. 9, NEW MEXICO NO. 3, REDUCED

NOVEMBER 27, 1939.

Departmental orders of February 28, 1918, and May 5, 1923, withdrawing certain lands in New Mexico for stock driveway purposes under section 10 of the act of December 29, 1916, 39 Stat. 862, as amended by the act of January 29, 1929, 45 Stat. 1144, are hereby revoked in so far as they affect the following-described lands:

NEW MEXICO PRINCIPAL MERIDIAN

T. 1 N., R. 4 E.,
E½ Sec. 1, W½E½, E½W½, SW¼SW¼ Sec. 12, W½ Sec. 13, SE¼ Sec. 14, all Sec. 23, W½, S½SE¼ Sec. 26, E½ Sec. 35;
T. 2 N., R. 4 E.,
Those parts of Sec. 3, and E½ Sec. 4 not in the Sevilleta Grant, NE¼ Sec. 9, all Sec. 10, W½W½ Sec. 14, NE¼, E½SE¼ Sec. 15, E½E½ Sec. 22, W½W½ Sec. 23, SW¼ Sec. 25, W½NW¼, S½ Sec. 26, E½NE¼ Sec. 27;
aggregating 4,855 acres.

JOHN W. FINCH,
Acting Under Secretary of the Interior.

[F. R. Doc. 39-4553; Filed, December 7, 1939; 3:28 p. m.]

Notices

DEPARTMENT OF LABOR.

Division of Public Contracts.

IN THE MATTER OF THE DETERMINATION OF THE PREVAILING MINIMUM WAGES IN THE SCIENTIFIC INDUSTRIAL AND LABORATORY INSTRUMENTS INDUSTRY

NOTICE OF HEARING

The Public Contracts Board will hold a hearing in Room 3229, Department of Labor Building, Washington, D. C., at 10 a. m. on Tuesday, December 12, 1939, to take testimony upon which findings of fact will be made to assist the Secretary of Labor in determining, pursuant to Section 1 (b) of the Public Contracts Act (49 Stat. 2036; 41 U.S.C. Sup. III 35) the prevailing minimum wages in the Scientific Industrial and Laboratory Instruments Industry. The Scientific Industrial and Laboratory Instruments Industry is understood to be that industry which manufactures the following products:

Instruments and Apparatus:

1. For use in navigation; surveying; engineering; drafting; target detection; fire control; meteorology; laboratories for physical, chemical, clinical, biological, bacteriological, geological, physiological and psychological teaching, demonstration, research and testing;

2. For indicating, measuring, recording or controlling the following: Quantity, quality, temperature, combustion, pressure, flow, density, humidity, conductivity, position, altitude, level, attitude, angle, direction, distance, speed, acceleration, or time; but *not including:*

Instruments and Apparatus:

1. For measuring or controlling voltage, flow, or consumption of electricity;
2. For measuring or controlling water, gas, or gasoline as used in the service rendered by public utilities and service stations in indicating consumer consumption;
3. For use in homes, or on automobiles;
Clocks and watches; and
Machinists' gauges.

At the hearing an opportunity to be heard, either in person or by duly appointed representatives will be given to persons engaged in the above-named industry, either as employers or as employees, to groups of such persons, and to others within the discretion of the Board. Briefs or telegraphic communications may be filed, but they should be received by the Board on or before the hearing date. Employers appearing in person, or by representatives, or presenting briefs, should furnish the Board with the following essential data:

(1) Name of firm,
(2) Plant address,
(3) Total number of employees in plant,
(4) Number of male employees,
(5) Number of female employees,
(6) Classification of employees by occupations, including number engaged in each operation,
(7) Hourly wages in each operation with designation of applicable time period,
(8) If paid on piece work basis, weekly earnings in each class of employees,
(9) Hours worked per week.

This outline of suggested data is not meant to exclude the submission of any other pertinent information which an employer may desire to submit.

Employees appearing at the hearing, either in person or by their representatives, or submitting briefs, should acquaint the Board with facts as to the wages now being paid in the industry.

[SEAL] L. METCALFE WALLING,
Administrator.

DECEMBER 2, 1939.

[F. R. Doc. 39-4560; Filed, December 8, 1939; 10:57 a. m.]

IN THE MATTER OF THE DETERMINATION OF THE PREVAILING MINIMUM WAGES FOR THE COTTON TEXTILE INDUSTRY

NOTICE OF OPPORTUNITY TO SHOW CAUSE

The Cotton Textile Industry for purposes of this notice is that industry engaged in

(a) The manufacturing or processing of yarn or thread and all processes preparatory thereto; and the manufacturing, bleaching, dyeing, printing, and other finishing of woven fabrics (other than carpets and rugs) from cotton, silk, flax, jute or any synthetic fiber, or from mixtures of these fibers; or from such mixtures of these fibers with wool or animal fiber (other than silk) as are specified in clauses (g) and (h); except the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in the establishments manufacturing synthetic fiber;

(b) The manufacturing of batting, wadding or filling (except surgical absorbent cotton),[1] and the processing of waste from the fibers enumerated in clause (a);

(c) The manufacturing, bleaching, dyeing, or other finishing of pile fabrics (except carpets and rugs) from any fiber or yarn;

(d) The processing of any textile fabric, included in this definition of this industry, into any of the following products; bags (except barrack bags);[2] bath mats and related articles; bedspreads; blankets; diapers; dish-cloths, scrubbing cloths and wash-cloths; sheets and pillow cases; tablecloths, lunch cloths and napkins; towels; and window-curtains;

(e) The manufacturing or finishing of braid, net or lace (except bobbinet) * * * from any fiber or yarn;

(f) The manufacturing of cordage, rope or twine from any fiber or yarn;

(g) The manufacturing or processing of yarn or thread by systems other than the woolen system from mixtures of wool or animal fiber (other than silk) with any of the fibers designated in clause (a), containing not more than 45 percent by weight of wool or animal fiber (other than silk);

(h) The manufacturing, bleaching, dyeing, printing or other finishing of woven fabrics (other than carpets and rugs) from mixtures of wool or animal

[1] This product is within the Surgical Dressings Industry. A wage determination for this industry is pending under Section 1 (b) of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35).

[2] Wage determinations have been made for the manufacturing of these products under said Act; Barrack Bags 3 F.R. 257, Bobbinet

fiber (other than silk) containing not more than 25 percent by weight of wool or animal fiber (other than silk), with any of the fibers designated in clause (a), with a margin of tolerance of 2 percent to meet the exigencies of manufacture.

All interested parties are hereby given until and including December 22, 1939, within which to file briefs with the Administrator of the Division of Public Contracts, Department of Labor, showing cause why the Secretary of Labor should not determine, pursuant to Section 1(b) of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35), the prevailing minimum wage for the industry hereinabove defined to be 32.5 cents an hour (which is the wage set by the Administrator of the Fair Labor Standards Act for the Cotton Textile Industry), or $13.00 per week of forty hours, arrived at either upon a time or piece work basis, for employees engaged in the performance of contracts with agencies of the United States Government subject to the provisions of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35).

[SEAL] L. METCALFE WALLING,
Administrator.

DECEMBER 7, 1939.

[F. R. Doc. 39-4561; Filed, December 8, 1939; 10:57 a. m.]

Wage and Hour Division.

[Administrative Order No. 37]

APPOINTMENT TO ADVISORY COMMITTEE ON SHELTERED WORKSHOPS

By virtue of and pursuant to the authority vested in me by the Fair Labor Standards Act of 1938, I, Harold D. Jacobs, Administrator of the Wage and Hour Division, U. S. Department of Labor,

Do hereby appoint Commissioner Edward J. Parker, National Secretary of the Salvation Army, to the Advisory Committee on Sheltered Workshops.

Signed at Washington, D. C. this 8th day of December 1939.

HAROLD D. JACOBS,
Administrator.

[F. R. Doc. 39-4564; Filed, December 8, 1939; 11:17 a. m.]

FEDERAL COMMUNICATIONS COMMISSION.

[Docket No. 5776]

INVESTIGATION OF THE CHARGES, PRACTICES, CLASSIFICATIONS AND REGULATIONS OF MACKAY RADIO AND TELEGRAPH COMPANY (CALIFORNIA), RCA COMMUNICATIONS, INC., COMMERCIAL PACIFIC CABLE COMPANY, GLOBE WIRELESS, LTD., THE WESTERN UNION TELEGRAPH COMPANY, AND POSTAL TELEGRAPH-CABLE COMPANY, APPLICABLE TO COMMUNICATION SERVICE BETWEEN SEATTLE, WASHINGTON, PORTLAND, OREGON, AND LOS ANGELES, CALIFORNIA, AND HAWAII, GUAM, AND PHILIPPINE ISLANDS, AND THE CONTRACTS AND TRAFFIC ARRANGEMENTS BETWEEN SAID CARRIERS RELATING THERETO

AMENDED ORDER AND NOTICE OF HEARING

The Commission having under consideration its order dated September 26, 1939,[1] instituting proceedings in Docket No. 5776 for an investigation of the charges, practices, classifications, and regulations of Mackay Radio and Telegraph Company (California), RCA Communications, Inc., Commercial Pacific Cable Company, Globe Wireless, Ltd., The Western Union Telegraph Company, and Postal Telegraph-Cable Company, applicable to communication services between Seattle, Washington, Portland, Oregon, and Los Angeles, California, and Hawaii, Guam and the Philippine Islands, and the contracts and traffic arrangements between said carriers relating thereto.

It is ordered, That the Commission's said order of September 26, 1939, be, and the same is hereby, amended by including Pacific Telephone and Telegraph Company and Press Wireless, Inc., as parties defendant in the proceedings in said Docket No. 5776; and

It is further ordered, That a copy of the Commission's said order dated September 26, 1939, together with a copy of this order, be forthwith served upon Pacific Telephone and Telegraph Company and Press Wireless, Inc., and that notice to the public of this order be given by posting a copy in the office of the Secretary of the Commission and by publication in the FEDERAL REGISTER.

By the Commission.

[SEAL] JOHN B. REYNOLDS,
Acting Secretary.

[F. R. Doc. 39-4559; Filed, December 8, 1939; 10:14 a. m.]

FEDERAL POWER COMMISSION.

[Docket No. IT-5590]

IN THE MATTER OF ARKANSAS UTILITIES COMPANY

ORDER FIXING DATE OF HEARING AND SUSPENDING RATE SCHEDULE

DECEMBER 7, 1939.

Commissioners: Clyde L. Seavey, Chairman; Claude L. Draper, Basil Manly, Leland Olds, John W. Scott.

It appearing to the Commission that:

(a) On January 17, 1936, the Arkansas Utilities Company filed with the Federal Power Commission a statement of agreement between Arkansas Utilities Company and Missouri Utilities Company, designated in the files of the Commission as Arkansas Utilities Company Rate Schedule FPC No. 1, providing for the sale and delivery of electric energy by Arkansas Utilities Company to Missouri Utilities Company for resale;

(b) On November 8, 1939, the Arkansas Utilities Company filed with the Federal Power Commission a superseding agreement, dated November 6, 1939, between Arkansas Utilities Company and Missouri Utilities Company, designated in the files of the Commission as Arkansas Utilities Company Rate Schedule FPC No. 2, providing for new and higher rates for the sale and delivery of electric energy by Arkansas Utilities Company to Missouri Utilities Company;

(c) The purported justification for the said higher rate schedule is a contract dated August 8, 1939, between the Arkansas-Missouri Power Corporation and the Arkansas Utilities Company, whereby the latter company purchases the electric energy which is in turn sold to the Missouri Utilities Company;

(d) The Arkansas Utilities Company has requested that the said proposed Rate Schedule FPC No. 2 be allowed to take effect as of September 25, 1939;

(e) The schedule of increased rates contained in said Arkansas Utilities Company Rate Schedule FPC No. 2, which is proposed to be made effective as of September 25, 1939, may result in excessive rates or charges to Missouri Utilities Company, or place an undue burden upon ultimate consumers of electric energy, which increased rates or charges have not been shown to be justified;

The Commission finds that:

(1) Without approval by the Commission giving retroactive effect to the rate schedule as of September 25, 1939, the said rate schedule, unless suspended by order of the Commission, would become automatically effective as of December 8, 1939, pursuant to the Federal Power Act and the Rules of Practice and Regulations thereunder;

(2) It is necessary, desirable, and in the public interest that the Commission enter upon a hearing concerning the lawfulness of the proposed increased rates or charges and that said proposed increased rates or charges be suspended pending such hearing and the decision thereon, but not for a longer period than five months beyond December 8, 1939;

The Commission, upon its own motion, *orders* that:

(A) A public hearing be held on February 26, 1940, at 10 o'clock a. m., in the hearing room of the Federal Power Commission, 1757 K Street, N. W., Washington, D. C., concerning the lawfulness of the rates or charges contained in said Arkansas Utilities Company Rate Schedule FPC No. 2, which is proposed to be made effective retroactively as of September 25, 1939;

(B) Pending such hearing, the schedule of increased rates or charges for the sale of electric energy for resale contained in said Arkansas Utilities Company Rate Schedule FPC No. 2, which is proposed to be made effective retroactively as of September 25, 1939, be and the same is hereby suspended for a period of five months beyond December 8, 1939,

[1] 4 F.R. 4104 DI.

unless the Commission shall hereafter otherwise order;

(C) During the said period of suspension the rates or charges now being collected and received by the Arkansas Utilities Company from the Missouri Utilities Company, as provided in Arkansas Utilities Company Rate Schedule FPC No. 1, shall remain and continue in effect;

(D) This order does not suspend or otherwise effect the rates or charges to be collected and received for electric energy sold to Missouri Utilities Company other than for resale;

(E) At such hearing, the burden of proof to show that the proposed increased rates or charges are just and reasonable shall be upon the Arkansas Utilities Company.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 39-4557; Filed, December 8, 1939; 9:43 a. m.]

[Docket No. IT-5589]

IN THE MATTER OF ARKANSAS-MISSOURI POWER CORPORATION

ORDER FIXING DATE OF HEARING AND SUSPENDING RATE SCHEDULE

Commissioners: Clyde L. Seavey, Chairman; Claude L. Draper, Basil Manly, Leland Olds, John W. Scott.

DECEMBER 7, 1939.

It appearing to the Commission that:

(a) On June 17, 1937, the Arkansas-Missouri Power Company filed with the Federal Power Commission a rate schedule and supplement thereto, between Arkansas-Missouri Power Company and Arkansas Utilities Company, designated in the files of the Commission as Arkansas-Missouri Power Company Rate Schedule FPC No. 5, and Supplement No. 1 thereto, providing for the sale and delivery of firm electric energy by Arkansas-Missouri Power Company to Arkansas Utilities Company at the city limits of Paragould, Arkansas, for resale;

(b) On September 25, 1937, the Arkansas-Missouri Power Corporation filed with the Federal Power Commission a notice of succession in ownership or operation whereby the said Arkansas-Missouri Power Corporation certified that on September 20, 1937, it adopted and ratified the rate schedules and supplements thereto, previously filed with the Federal Power Commission on June 17, 1937; and the Federal Power Commission then designated the Arkansas-Missouri Power Company Rate Schedule FPC No. 5, and Supplement No. 1 thereto, as Arkansas-Missouri Power Corporation Rate Schedule FPC No. 5, and Supplement No. 1, thereto;

(c) On November 24, 1939, the Arkansas-Missouri Power Corporation filed with the Federal Power Commission a new contract and exhibit, dated June 14, 1939, between Arkansas-Missouri Power Corporation and Arkansas Utilities Company, designated in the files of the Commission as Arkansas-Missouri Power Corporation Rate Schedule FPC No. 8, and Exhibit A thereto, providing for new and higher rates for the sale and delivery of firm electric energy by Arkansas-Missouri Power Corporation to Arkansas Utilities Company, for resale;

(d) The said new rate schedule dated June 14, 1939, by its terms was to become effective between the said parties thereto on August 8, 1939, the expiration date of the rate schedule designated Arkansas-Missouri Power Corporation Rate Schedule FPC No. 5, and Supplement No. 1 thereto; and the Arkansas-Missouri Power Corporation has requested that the said proposed Rate Schedule FPC No. 8 and Exhibit A thereto, dated June 14, 1939, be allowed to take effect retroactively as of August 8, 1939;

(e) The purported justification for the said higher rate schedule, is stated to be to meet the present costs of service;

(f) The schedule of increased rates contained in said Arkansas-Missouri Power Corporation Rate Schedule FPC No. 8, and Exhibit A thereto, which is proposed to be made effective as of August 8, 1939, has been offered as the basis for effecting an increase in rates by the Arkansas Utilities Company to the Missouri Utilities Company, which purchases, from said company, for resale, a portion of the electric energy sold to Arkansas Utilities Company by Arkansas-Missouri Power Corporation.

(g) The said schedule of increased rates may result in excessive rates or charges to Arkansas Utilities Company, Missouri Utilities Company, or place an undue burden upon ultimate consumers of electric energy, which increased rates or charges have not been shown to be justified;

The Commission *finds* that:

(1) Without approval by the Commission giving retroactive effect to the rate schedule as of August 8, 1939, the said rate schedule, unless suspended by order of the Commission, would become automatically effective as of December 24, 1939, pursuant to the Federal Power Act and the Rules of Practice and Regulations thereunder;

(2) It is necessary, desirable, and in the public interest that the Commission enter upon a hearing concerning the lawfulness of the proposed increased rates or charges and that said proposed increased rates or charges be suspended pending such hearing and the decision thereon, but not for a longer period than five months beyond December 24, 1939;

The Commission, upon its own motion, orders that:

(A) A public hearing be held on February 26, 1940, at 10 o'clock a. m., in the hearing room of the Federal Power Commission, 1757 K Street, NW., Washington, D. C., concerning the lawfulness of the rates or charges contained in said Arkansas-Missouri Power Corporation Rate Schedule FPC No. 8, and Exhibit A thereto, which is proposed to be made effective retroactively as of August 8, 1939;

(B) Pending such hearing, the schedule of increased rates or charges for the sale of electric energy for resale contained in said Arkansas-Missouri Power Corporation Rate Schedule FPC No. 8, and Exhibit A thereto, which is proposed to be made effective retroactively as of August 8, 1939, be and the same is hereby suspended for a period of five months beyond December 24, 1939, unless the Commission shall hereafter otherwise order;

(C) During the said period of suspension the rates or charges now being collected and received by the Arkansas-Missouri Power Corporation from the Arkansas Utilities Company, as provided in Arkansas-Missouri Power Corporation Rate Schedule FPC No. 5, and Supplement No. 1 thereto, shall remain and continue in effect;

(D) This order does not suspend or otherwise affect the rates or charges to be collected and received for electric energy sold to Arkansas Utilities Company other than for resale;

(E) At such hearing, the burden of proof to show that the proposed increased rates or charges are just and reasonable shall be upon the Arkansas-Missouri Power Corporation.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 39-4556; Filed, December 8, 1939; 9:43 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 7th day of December 1939.

[File No. 1-2193]

IN THE MATTER OF LOCKHEED AIRCRAFT CORPORATION CAPITAL STOCK, $1 PAR VALUE

ORDER SETTING HEARING ON APPLICATION TO WITHDRAW FROM LISTING AND REGISTRATION

The Lockheed Aircraft Corporation, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule X-12D2-1 (b) promulgated thereunder, having made application to the Commission to withdraw its Capital Stock, $1 Par Value, from listing and registration on the Board of Trade of the City of Chicago; and

The Commission deeming it necessary for the protection of investors that a hearing be held in this matter at which

all interested persons be given an opportunity to be heard;

It is ordered, That the matter be set down for hearing at 10 a. m. on Monday, January 8, 1940, at the office of the Securities & Exchange Commission, 105 W. Adams Street, Chicago, Illinois, and continue thereafter at such times and places as the Commission or its officer herein designated shall determine, and that general notice thereof be given; and

It is further ordered, That Henry Fitts, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-4567; Filed, December 8, 1939; 12:20 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 8th day of December, A. D. 1939.

[File No. 32-191]

IN THE MATTER OF INDIANA SERVICE CORPORATION

NOTICE OF AND ORDER FOR HEARING

An application pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on December 27, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Willis E. Monty or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before December 20, 1939.

The matter concerned herewith is in regard to the proposed issue and sale by Indiana Service Corporation of:

1. Sixty "Conditional Sale Serial Notes of Indiana Service Corporation" representing sixty monthly installments, each with interest, on $297,360, the unpaid portion of the purchase price of twenty-eight (28) electric trackless trolley cars, and aggregating in face amount $335,-149.50; the face of each note being the sum of $4,956 (1/60 of $297,360) plus interest at five per cent per annum on the entire balance of the purchase price remaining unpaid at the maturity of each such monthly instalment note, successively. The notes are all to be dated as of the average date of shipment of the cars and are to be payable to the manufacturer and vendor of the cars. The first note will mature one month from date and the others successively at intervals of one month thereafter for fifty-nine months.

2. One "Conditional Sale Instalment Note" in face amount of $41,107.50, representing the principal amount of the unpaid portion of the purchase price of seven (7) gasoline motor buses. This note will be payable in sixty monthly instalments; the first in the principal amount of $692.50 and the remaining fifty-nine instalments in the principal amount of $685 each, in each case with interest at five per cent per annum on the entire balance of the purchase price remaining unpaid at the due date of such instalment. The note will be dated the average date of delivery of the motor buses and is to be payable to the manufacturer and vendor of the buses. The first instalment will become due on or before one month from date and the others, successively, at intervals of one month thereafter for fifty-nine months.

To secure payment by the corporation, the cars and buses are sold by the respective makers to the corporation under a form of agreement which, among other things, provides that title shall remain in the seller until the equipment is entirely paid for, notwithstanding delivery to and possession by the corporation; with the right of repossession if the corportion should default on its payments.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-4568; Filed, December 8, 1939; 12:20 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 8th day of December, A. D. 1939.

[File No. 46-194]

IN THE MATTER OF FEDERAL WATER SERVICE CORPORATION

NOTICE OF AND ORDER FOR HEARING

An application pursuant to section 10 (a) (1) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on December 20, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Robert P. Reeder or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before December 18, 1939.

The matter concerned herewith is in regard to the proposed purchase by Federal Water Service Corporation from The United Light and Power Company, for $810,000 in cash, of all of the outstanding stock and debt of the Chattanooga Gas Company.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-4569; Filed, December 8, 1939; 12.22 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its

office in the City of Washington, D. C., on the 7th day of December 1939.

IN THE MATTER OF EDGAR SPAIN GRANT, DOING BUSINESS AS GRANT AND COMPANY, 61 FORSYTH STREET NW., ATLANTA, GEORGIA

ORDER PERMITTING WITHDRAWAL FROM REGISTRATION AS BROKER AND DEALER, SUBJECT TO TERMS AND CONDITIONS, AND TERMINATING PROCEEDINGS

Edgar Spain Grant, doing business as Grant and Company, a sole proprietorship, hereinafter sometimes referred to as the registrant; being registered with the Commission as an over-the-counter broker and dealer, pursuant to Section 15 (b) of the Securities Exchange Act of 1934, as amended; and

The Commission, by an order of October 14, 1939, as amended by orders of October 25, 1939, and December 2, 1939, having ordered that a hearing be held to determine whether the registrant had willfully violated Section 15 (c) (1) of said Act and Sections 5 (b) (2) and 17 (a) of the Securities Act of 1933, as amended, and if so whether said registration should be revoked or suspended pursuant to Section 15 (b) of the Securities Exchange Act of 1934, as amended, all as more fully set forth in said orders of the Commission; and

The registrant on December 5, 1939, having filed with the Commission a petition admitting certain of the transactions alleged in said orders of the Commission, but denying that said transactions were effected in bad faith or with knowledge that they were in violation of said Acts; and

The registrant on December 5, 1939, having filed with the Commission written notice of withdrawal from registration as an over-the-counter broker and dealer, said notice providing in part as follows:

"(1) That this withdrawal shall not take effect until February 10, 1940; during the intervening period it is my understanding that I may engage in the orderly processes of liquidating by business, during which time, as expressed above, I expect to protect the individuals and concerns who have dealt with me to the fullest extent possible, but during which intervening period I shall not engage as a broker or dealer in any new underwriting.

"(2) That I shall not subsequent to February 10, 1940, and during the period of time not registered as a broker and dealer with the Securities and Exchange Commission, be a partner, officer, director or branch manager of any broker or dealer, or shall I directly or indirectly control any broker or dealer."

The Commission having duly considered the matter and being fully advised in the premises and deeming it necessary and appropriate in the public interest and for the protection of investors to permit said withdrawal from registration, subject to the terms and conditions therein set forth;

It is ordered, That the withdrawal from registration as an over-the-counter broker and dealer under Section 15 (b) of the Securities Exchange Act of 1934, as amended, by Edgar Spain Grant, doing business as Grant and Company, shall become effective on February 10, 1940, subject to the terms and conditions set forth in said notice;

It is further ordered, That the proceedings instituted by the order of the Commission dated October 14, 1939, as amended and supplemented by the orders of October 25, 1939, and December 2, 1939, be and the same are hereby terminated; and

It is further ordered, That a copy of this order be served on said Edgar Spain Grant, doing business as Grant and Company, personally or by the registered mail not less than seven (7) days from the date hereof and that this order be published in the FEDERAL REGISTER in the manner prescribed by the Federal Register Act.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-4570; Filed, December 8, 1939; 12:21 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 6th day of December 1939.

[File No. 1-1485]

IN THE MATTER OF CHAMPION SHOE MACHINERY COMPANY—7% CUMULATIVE FIRST PREFERRED STOCK, $100 PAR VALUE

ORDER SETTING HEARING ON APPLICATION TO STRIKE FROM LISTING AND REGISTRATION

The St. Louis Stock Exchange, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule X-12D2-1 (b) promulgated thereunder, having made application to strike from listing and registration the 7% Cumulative First Preferred Stock, $100 Par Value, of Champion Shoe Machinery Company; and

The Commission deeming it necessary for the protection of investors that a hearing be held in this matter at which all interested persons be given an opportunity to be heard;

It is ordered, That the matter be set down for hearing at 10 A. M. on Friday, January 5, 1940, at the office of the Securities & Exchange Commission, 105 W. Adams Street, Chicago, Illinois, and continue thereafter at such times and places as the Commission or its officer herein designated shall determine, and that general notice thereof be given; and

It is further ordered, That Henry Fitts, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-4571; Filed, December 8, 1939; 12:21 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 5th day of December 1939.

IN THE MATTER OF CHICAGO RIVET AND MACHINE COMPANY COMMON STOCK, $4 PAR VALUE

ORDER FOR PROCEEDINGS AND NOTICE OF HEARING TO DETERMINE WHETHER UNLISTED TRADING PRIVILEGES SHOULD BE TERMINATED ON THE NEW YORK CURB EXCHANGE

It appearing to the Commission that unlisted trading privileges have been continued on the New York Curb Exchange for the Common Stock, $4 Par Value, of Chicago Rivet and Machine Company pursuant to Clause (1) of Section 12 (f) of the Securities Exchange Act of 1934, as amended; and

It appearing that such security has been withdrawn by the issuer thereof from listing and registration on the Chicago Stock Exchange;

Pursuant to subsection (f) of Section 12 of the Securities Exchange Act of 1934, as amended, which provides in part that unlisted trading privileges continued for any security pursuant to clause (1) of said subsection (f) shall be terminated by order, after appropriate notice and opportunity for hearing, if it appears at any time that such security has been withdrawn from listing on any exchange by the issuer thereof, unless it shall be established to the satisfaction of the Commission that such delisting was not designed to evade the purposes of this title, or unless it shall appear to the Commission that, notwithstanding any such purpose of evasion, the continuation of such unlisted trading privileges is nevertheless necessary or appropriate in the public interest or for the protection of investors;

It is ordered, That proceedings be held to determine whether unlisted trading privileges in this security shall be terminated; and

It is further ordered, That a public hearing for the purpose of taking evi-

dence be held in Room 1103, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue, N. W., Washington, D. C., on January 10, 1940 at 10 A. M., and that said hearing be continued at such other time or place as the Commission or the officer conducting such hearing may determine; that for the purpose of said hearing Charles S. Lobingier be and he is hereby designated as the officer of the Commission to administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, require the production of books, papers, correspondence, memoranda, and any and all other records deemed relevant or material to the matters in issue at such hearing, and to perform all other duties in connection therewith as authorized by law.

It is further ordered, That this order and notice be served on the Chicago Rivet and Machine Company and the New York Curb Exchange, personally or by registered mail, not less than ten (10) days prior to the time of the hearing or, in the event of failure to serve such persons personally or by registered mail, that this order and notice be published in the FEDERAL REGISTER in the manner prescribed by the Federal Register Act.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-4572; Filed, December 8, 1939; 12:21 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 7th day of December, A. D. 1939.

[File No. 37-29]

IN THE MATTER OF NORTHEASTERN WATER & ELECTRIC SERVICE CORPORATION

NOTICE OF AND ORDER FOR HEARING

A declaration pursuant to Section 13 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party; a public hearing having been held with respect to the said declaration; the Commission at a regular session held at its offices in the City of Washington, D. C. on the 27th day of December, A. D. 1938 having issued its "Order Approving a Subsidiary Service Company Pursuant to Paragraph (b) of Section 13 of the Public Utility Holding Company Act of 1935," and on the 24th day of January A. D. 1939 having issued an Amended Order in the above entitled matter; a subsequent motion and petition having been duly filed with the Commission by the above-named party;

It is ordered, That a hearing on such matter be held on December 18, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, N. W., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Willis E. Monty or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before December 15, 1939.

The matter concerned herewith is in regard to a motion and petition for approval of a change in the method of allocating cost to associate companies.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-4573; Filed, December 8, 1939; 12:22 p. m.]